

EXHIBIT P

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE DISTRICT OF DELAWARE

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5 In re: :Chapter 11

6 FEDERAL-MOGUL GLOBAL, :Case No. 01-1-578 (RTL)

7 INC., et al., :Jointly Administered

8 Debtors. :

9 _____ X

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13 Deposition of Mark A. Peterson, Ph.D.

14 Washington, D.C.

15 Friday, December 3, 2004

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20 Pages 1 - 288

21 Job No.: 164539

22 Reported by: Deborah Larson Hommer, RPR

1 Newall and other companies with regard to the
2 relative values of disease claims for
3 different diseases. I start with a
4 consideration of all the factors that are
5 affecting the liabilities, and I end up with
6 all -- in that calculation, as a matter of
7 both convenience and conservatism, using the
8 scheduled values.

9 Q. If I were going to try and create a
10 mathematical formula to derive your forecast
11 numbers in Table 39, page 57 of your report,
12 what does that formula look like -- or
13 equation, if you want to call it an equation?

14 A. That's a more precise question.

15 Page 16, Table 7 of scheduled values for the
16 TDP. Page 17, Table 8 is the scheduled value
17 for mesothelioma and other cancers. The lung
18 cancer and nonmalignant values there represent
19 the weighted averages of the lung cancer
20 claimants that would be in the two lung cancer
21 categories, the nonmalignant claimants in
22 three categories. So Table 8 is derived from

1 Table 7, plus assumptions about the
2 distributions of the number of claimants that
3 would be in the two lung cancer and three
4 nonmalignant categories.

5 You take those numbers on Table 8
6 and you adjust for the actual inflation
7 between 2001 and 2004. When you've made that
8 adjustment for inflation, you then obtain the
9 results that are shown on page 57, 39 that you
10 asked me about -- Table 39.

11 Q. And the first thing you pointed me
12 to in that equation was the scheduled TDP
13 values on Table 7, page 16 of your report?

14 A. The first step in the specific
15 quantification of those numbers begins with
16 Table 7, page 16. But that's just the end of
17 a lot of steps used in estimating what the
18 current values are. And it is the end of --
19 because it's a number that has been already
20 provided and agreed to and accepted by the
21 plan proponents, and it's a conservative
22 estimate of the current values.

1 Q. Your view is it's conservative?

2 A. I can only speak for myself here.

3 Q. That's your opinion, right?

4 A. It's my opinion.

5 Q. Let me just go through and make

6 sure I have a general understanding of the

7 methodology that you've used to make your

8 estimate here. I understand that a

9 fundamental step in your analysis is to figure

10 out the value for the claims. You have to

11 assign a value for the claims, correct?

12 A. The only thing that troubles me

13 about your question is "fundamental." I don't

14 know what you mean by "fundamental" in this

15 context. It is a step in the calculation, but

16 I don't know how to use the word

17 "fundamental."

18 Q. That's fine. I'm not trying to use

19 the word in any particular way. I'm just

20 trying to make sure I understand the basic

21 steps in the method here. So you have to

22 derive a value for the claims, correct?

1 A. As part of the analysis, certainly.

2 Q. And in deriving the values, I

3 understand that you worked from the trust

4 distribution procedure values here. You also

5 had other values that you have calculated,

6 correct?

7 A. Yes.

8 Q. And in calculating the other

9 values -- in fact, you decided that you would

10 use the TDP values -- I think your word was as

11 a convenience, correct?

12 A. Among other considerations. It's

13 not the sole reason, but it's one of the

14 reasons.

15 Q. But that was your word. You chose

16 those values as a convenience, right?

17 MR. FINCH: Object to the form.

18 THE WITNESS: One of the reasons

19 that I chose to use those values is because it

20 was convenient to pick one rather than run the

21 analysis with duplicate values. A long report

22 would have become even longer. But there are

1 other reasons, too, including the fact that
2 these were values that were accepted by the
3 plan proponents as well as the fact that, in
4 my view, they are conservative estimates, and
5 indeed they're lower than the alternative
6 estimates that I have.

7 BY MR. STROCHAK:

8 Q. Let's turn just for a second
9 conceptually to the other calculations you
10 performed; that is, the calculations that you
11 performed to -- let me ask it this way: The
12 other calculations that you performed to
13 derive anticipated claim values, those were
14 used to determine whether the TDP values were
15 appropriate in your mind; is that a fair
16 statement of your analytical process?

17 MR. FINCH: Object to form.

18 THE WITNESS: No.

19 BY MR. STROCHAK:

20 Q. Okay. Explain for me why you
21 derived other predicted claim values other
22 than the TDP values.

1 A. Because I was trying to determine
2 reasonable estimates of the current values of
3 the claims -- asbestos bodily injury claims by
4 disease against Turner & Newall.

5 Q. Now, in doing these other
6 calculations, you started by determining the
7 value that Turner & Newall paid -- the average
8 value that Turner & Newall paid to
9 mesothelioma claimants for 2001; is that
10 correct?

11 THE WITNESS: I'm sorry. Could you
12 read the question?

13 (The reporter read the record as
14 requested.)

15 MR. FINCH: Object to form.

16 THE WITNESS: I continue to have a
17 problem with "start." I mean, I kind of
18 focused on mesothelioma well into the process.
19 I don't mean to be pedantic, but you've got to
20 understand what's the basis of the liability
21 for this company. A credible expert has to
22 understand the basis for liability to